



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 9
75 Hawthorne Street
San Francisco, CA 94105**

April 7, 2021

Misael Cabrera
Director
Arizona Department of Environmental Quality
1110 W. Washington Street
Phoenix, AZ 85007

Re: Non-Compliance Warning Letter
Performance Partnership Grant (#BG99T73519)

Dear Director Cabrera:

This warning letter is to inform you that the Arizona Department of Environmental Quality (AZDEQ) is in noncompliance with numerous grant regulations and terms and conditions of the Performance Partnership Agreement (PPG) referenced above, including but not limited to:

- 2 C.F.R. §200.328, *Monitoring and reporting program performance*
- 2 C.F.R. §200.400(b), *Policy Guide*
- 40 C.F.R. §35.107(b), *Work plan requirements*
- 40 C.F.R. §35.114, *Amendments and other changes*
- 40 C.F.R. §35.132, *Requirements summary*
- 40 C.F.R. §35.35.135, *Activities eligible for funding*
- Programmatic Terms and Condition “m.”: *Nonpoint Source National Meetings*
- Programmatic Term and Condition “d.”: *Performance Reporting and Final Performance Report*

Background

The U.S. Environmental Protection Agency (EPA) awarded AZDEQ a Performance Partnership Grant (PPG) on May 25, 2018, with an initial federal award of \$5,086,324, not including required match or maintenance of effort (MOE). The PPG project and budget period started on July 1, 2018 and ended June 30, 2020. The PPG was supported with funds from Clean Air Act §105; Clean Water Act §106 and §319; Safe Drinking Water Act, Public Water System Supervision; and Solid Waste Disposal Act §3011. ADEQ submitted an integrated workplan for this grant which contained both PPG and non-PPG commitments/components.

The PPG was amended to reflect incremental funding actions, bringing the total amount of federal funding to \$18,942,478.00. AZDEQ provided \$9,639,173.29 in match and MOE resulting in a final total project cost of \$28,581,651.29.

In March 2019, the EPA found that the workplan commitments/components and budget were not in alignment. In addition, the EPA learned that AZDEQ had made unauthorized changes to the workplan which resulted in a co-mingling of PPG and non-PPG commitments. On March 18, 2019 at the mid-year meeting, the EPA explained to AZDEQ that the workplan and budget were not in alignment and requested that AZDEQ revise the budget and workplan to correct this discrepancy. The EPA reiterated this request on monthly PPG calls with AZDEQ, as well as in the 2019 End of Year Evaluation (11/26/2019, page 13); however, AZDEQ did not make all of the necessary changes to bring the workplan and budget into alignment.

On September 7, 2020, AZDEQ submitted the final progress report and supporting documentation for the PPG, which reflected \$75.1 million in PPG workplan commitments/components. The EPA reviewed the report and supporting documentation and identified a number of areas of concern including:

- The final PPG progress report included \$75.1 million in workplan commitments/components, which was approximately \$46.5 million more than was available in PPG funding.
- AZDEQ co-mingled non-PPG commitments/components with PPG commitments/components in violation of regulatory requirements.
- AZDEQ shifted workplan commitments/components to new priorities without communicating this information to the EPA. Some of these changes required prior written approval from the EPA in accordance with 40 C.F.R. §35.114(a).

On November 13, 2020, the EPA sent AZDEQ a PPG Closeout Summary of Findings for State Fiscal Years 2019/2020 (**Attachment A**). The Summary of Findings included action items for AZDEQ to complete. The EPA also set up a meeting in early December to discuss the action items with AZDEQ, but AZDEQ canceled the meeting. On December 14, 2020, AZDEQ responded to the EPA's findings, but AZDEQ did not provide the necessary information to resolve all of the issues raised in the PPG Closeout Summary of Findings.

Required Actions

AZDEQ made numerous changes to the integrated workplan that impacted PPG funded commitments/components by co-mingling PPG funds with non-PPG funds. Therefore, the EPA is unable to fully account for PPG expenditures (e.g. which commitments/components in the integrated workplan were paid for with PPG funds and in what amounts). Co-mingling PPG funds and commitments/components with non-PPG funds and commitments/components is not consistent with Federal grant regulations and the terms and conditions of the PPG award including but not limited to 40 C.F.R. §35.132. AZDEQ must take the following actions to meet the PPG requirements:

- Submit a revised final progress report identifying each PPG workplan commitment/component and the amount of PPG funding that was applied to each PPG

commitment/component. AZDEQ must account for the full amount of PPG funding received from the EPA including required match and MOE under assistance agreement #BG99T73519. All PPG expenditures must comply with Federal grant regulations including the Federal cost principles.¹

- Address the unresolved issues identified in **Attachment B**, “Arizona Department of Environmental Quality (AZDEQ) Performance Partnership Grant (PPG) Closeout Questioned Costs for State Fiscal Years 2019/2020.”

Remedies for Noncompliance

Under 2 C.F.R. §200.338, “*Remedies for noncompliance*,” the EPA may initiate a noncompliance action against a grant recipient if the recipient fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award and may take one or more of the following actions:

- (a) Temporarily withhold cash payments pending correction of the deficiency.
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- (c) Wholly or partly suspend or terminate the Federal award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180.
- (e) Withhold further Federal awards for the project or program.
- (f) Take other remedies that may be legally available.

Please provide the requested information no later than 30 days from the date this email is electronically sent to AZDEQ (**May 7, 2021**) in order to avoid the initiation of a noncompliance action. You may email the information to Jared Vollmer at Vollmer.Jared@epa.gov.

Thank you for your prompt attention to this matter. The EPA remains committed to working with AZDEQ to resolve these financial/programmatic issues. If you or your staff has any questions or need further assistance, please feel free to contact Abimbola Odusoga, Grants Noncompliance Lead, by phone or email at 415-972-3437 or odusoga.abimbola@epa.gov.

Sincerely,

Carolyn Truong
Action Official/Grants Management Officer
Mission Support Division

Enclosures

¹ If AZDEQ has made significant changes to the workplan, EPA cannot guarantee that such changes will be approved. In addition, some changes may require an amendment(s) to the PPG.

1. Attachment A – Arizona Department of Environmental Quality (AZDEQ) Performance Partnership Grant (PPG) Closeout Summary of Findings for State Fiscal Years 2019/2020
2. Attachment B – Arizona Department of Environmental Quality (AZDEQ) Performance Partnership Grant (PPG) Closeout Questioned Costs for State Fiscal Years 2019/2020

Attachment A

Arizona Department of Environmental Quality (AZDEQ) Performance Partnership Grant (PPG) Closeout Summary of Findings For State Fiscal Years 2019/2020

I. Purpose

As part of the close-out process for the State Fiscal Year (SFY) 2019/2020 multi-media PPG, the Environmental Protection Agency, Region 9 (EPA), has reviewed AZDEQ's end-of-year report dated September 7, 2020, and the final Federal Financial Report (FFR). The purpose of this Summary of Findings is to summarize EPA's assessment of AZDEQ's compliance with grant conditions and workplan commitments for the SFY19/20 multi-media PPG. This document highlights the findings of our evaluation of these reports and initiates a resolution process to resolve grant conditions and workplan outputs that were not fulfilled.

PPG recipients must provide a final FFR and final performance report within 90 days of the project period end date. Pursuant to [2 CFR §200.328](#), and Programmatic Grant Condition "d", the recipient must submit performance reports that include brief information on each of the following areas:

- a) A comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period;
- b) The reasons why established outputs/outcomes were not met; and
- c) Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high unit costs.

Once AZDEQ reviews EPA's findings, AZDEQ will need to submit a comprehensive written response addressing: 1) key findings, 2) missed grant conditions, and 3) missed commitments/outputs by December 14, 2020. Based on EPA's review of the response, a revised: final PPG report, FFR, Minority Business Enterprise (MBE)/Women Business Enterprise (WBE) Report, and a budget narrative may be required

II. Background

A. SFY19/20 PPG Award

On June 30, 2020, AZDEQ finished work on its first multi-media PPG (previously, AZDEQ executed a Water only PPG.) This grant was awarded on May 25, 2018, and covered the project and budget period starting July 1, 2018 and ending June 30, 2020. The PPG was supported with funds from Clean Air Act (CAA) §105, Clean Water Act (CWA) §106 and §319, Public Water System Supervision (PWSS), and Solid Waste Disposal Act (SWDA) §3011. The PPG was

amended ten times over the two-year project period to accommodate incremental funding actions.

The total project cost requested in the PPG application was \$28,713,138, with the federal share of \$19,124,641, and the recipient share of \$9,588,497. The workplan submitted with the grant application was for \$49.6 million, which did not match the submitted grant application budget. After the end of the project period, the final total project cost submitted in the FFR was \$28,494,050, included \$18,942,478 in federal funds and \$9,639,173 in state recipient share. However, the final report included \$75.1 million in commitments. When additional funds and commitments are present in the workplan that are funded outside of the grant award, EPA considers those funds and commitments to be voluntary cost share and a binding requirement of the federal award (2 CFR §§ 200.83 and 200.99).

B. 2020-2024 Performance Partnership Agreement (PPA)

On September 26, 2019, EPA and AZDEQ entered into a PPA covering state fiscal years 2020 through 2024 as it relates to the PPG. The PPA documents commitments and expectations for program planning, flexibility, grant workplans and management, and resolving disputes.

III. Key Findings

During this PPG performance period, EPA noted the following issues:

A. Grant funding level:

- The PPG provided \$1,034,714 more in funding than was delivered for the same programs over the previous two years (see table below). However, it appears that the PPG workplan did not contain additional commitments to account for the increased funding.

Funding provided to DEQ prior to the PPG		1st Multi-Media PPG		
	FFY 16/17 (SFY17/18)		FFY 18/19 (SFY19/20)	Change in funding provided:
Division	Total grant funds	Division	Total grant funds	
Air	\$12,371,639	Air	\$13,043,835	\$672,196
Land	\$3,529,773	Land	\$3,325,276	(\$204,497)
Water	\$11,557,924	Water	\$12,124,939	\$567,015
Total	\$27,459,336	Total 2 yr PPG	\$28,494,050	\$1,034,714

Action Item

Please provide a list with a justification for the commitments achieved with additional funding.

B. Personnel:

- Personnel budget category: There were vacancies and attrition throughout the grant project and budget period; however, the Personnel budget category increased by \$623,009. EPA expected a final budget that reflected a decrease in personnel due to vacancies and attrition rather than an increase.
 - Full-time equivalencies (FTE): To adequately evaluate the level of effort, EPA reviews FTE by comparing the following documents: Federal grant

budget categories, budget narrative, and the FTE information in the workplan. The final report shows that the PPG supported 145.39 FTE, however, the interim workplans for SFY19 and SFY20 are unclear at what level PPG funds were being used for FTE. The final workplan reports for SFY19 and SFY20 show an FTE range from 59.61 to 145.39. EPA is unable to adequately compare and understand commitment efforts through reported FTE when documentation is unclear or conflicting.

Action Item

Please provide clarification on why the cost increased when it was reported to EPA that there were vacancies and attrition.

Please provide an FTE breakdown by workplan commitment.

C. Workplan:

- The final PPG report contained \$75.1 million in workplan commitments, \$46.6 million more than was available through PPG funding, and \$25.5 million more than the application workplan. As stated previously, when additional commitments are present in the workplan that are funded outside of the grant award, EPA considers those funds to be voluntary cost share.
 - Action item
AZDEQ has two options to remedy this:
 1. Revise the final report by removing the voluntary cost share commitments, leaving only PPG-funded commitments; or.
 2. Identify it as voluntary cost share and revise:
 - a. FFR reflecting the additional cost share
 - b. Budget narrative
 - c. MBE/WBE Report
 - d. Final grant report with the eligible PPG funded commitments, to include the voluntary cost share commitments
- The workplan co-mingled non-PPG commitments with PPG commitments. This approach obstructs EPA's ability to properly review and evaluate grant commitments and is in violations of 40 CFR §§35.107 and 35.137, as well as the cost principles found at 2 CFR §200 Subpart E. 66.
 - Action item
Previous action item #1 would resolve this.
- Throughout the PPG project period it was noted that when workplan commitments were canceled, the programs shifted work to new priorities without communicating this information to EPA. Federal grant regulation 2 CFR §200.308 requires recipients to obtain prior approval before making revisions to the workplan.
 - Action item
Future workplan changes must be discussed with the EPA Project Officer.

IV. Missed Grant Conditions and Workplan Commitments

EPA found that AZDEQ did not comply with 3 grant conditions and missed 151 commitments.

A. Grant Conditions

- Term and condition “e” required AZDEQ to submit an updated Quality Assurance Project Plan (QAPP) – The Surface Water Section QAPP was not completed by the end of the project period.

Action Item

Please submit the Surface Water QAPP by December 31, 2020.

- Term and condition “i” required AZDEQ to seek EPA approval for equipment with a unit cost of \$5,000 or more. The FFR shows \$94,192 spent on equipment, however, AZDEQ neither provided a detailed list of equipment purchases costing more than \$5,000 nor requested EPA approval of these purchases.

Action Item

Please provide a detailed budget and list of equipment with a cost of \$5,000 or more.

- Term and condition “m” required AZDEQ to send a representative to the biannual National Nonpoint Source workshop held in November 2018. AZDEQ did not do so.

Action Item

Please describe why this condition was missed and what was done in place of this workshop.

B. Workplan Commitments

Below are commitments missed over the PPG project period listed by AZDEQ Division and programmatic areas. In some cases, EPA expects AZDEQ to describe what activity replaced canceled commitments.

Air Quality Division

- Planning
 - Douglas-Paul Spur PM10 re-designation
 - Miami PM10 re-designation
 - Rillito PM10 re-designation
 - Nogales PM2.5 re-designation
 - Regional Haze Rule Coordination (no update)
 - Ozone reduction projects (only 60% complete)
- Border

- Biennial sessions of Borderwide Air Policy Forum and the U.S. Mexico National Coordinators meetings were not held resulting in no travel or personnel funds spent.
- AZDEQ support for international transport modeling and monitoring for ozone: update needed on COVID's impact on monitor installation
- No activity on the commitment: "Air dispersion modeling analysis for Nogales, Sonora that identifies the sources and activities that significantly contribute to the monitored concentrations of PM10 and ozone"
- Monitoring
 - Pinal County subaward: No training sessions were held due to the pandemic resulting in no travel or personnel funds spent.
 - Pinal County Rule effectiveness tracking: no update provided
 - Pinal County Air Quality Index forecasting enhancement: no update provided
- Facilities Emissions Control
 - Asbestos complaint response: EPA staff requested quantification of complaints received or otherwise provide context to AZDEQ's report of "100% response rate" for all complaints.
 - Crop operations inspections: AZDEQ did not describe work
 - Commercial animal operations: AZDEQ did not describe work
- Vehicle Emissions Control
 - Remote sensing contract oversight: data requested
 - Voluntary Vehicle Repair Program: the goal was reset to 3000 from 5000; only 1,718 Vehicles were repaired and passed due to Covid. Funds were not reallocated.

Water Quality Division

- Surface Water
 - Water Quality Standards
 - Nutrients Water Quality Standard
 - The draft stream nutrient criteria were not submitted.
 - The draft report on Dr. Walkers' Triennial Review work was not submitted.
 - Draft narrative lakes nutrient criteria and implementation procedures were not submitted.
 - Water Quality Monitoring
 - Comprehensive Monitoring Strategy was not submitted.
 - Implement the FY20 Effectiveness Monitoring and Evaluation Plan was not completed
 - The Mule Gulch and Big Bug data summaries were not completed.
 - Integrated Report and TMDLs
 - Pinto Creek TMDL was not submitted.
 - San Pedro River Vision Project, the Clean Water Plan not submitted.
 - Queen Creek Copper TMDL/Vision was not submitted.

- AzPDES Permitting
 - 7 MS4 Permits and 2 General Permits (Biosolids and Pesticides)
- Development of CWA § 404 Permitting Program
 - Deliverables not completed:
 - The draft rule, the second draft rule, and the final rule.
 - Development of MOAs with USCOE and USEPA
 - The assumption package
- Nonpoint Source
 - National Water Quality Initiative work with NRCS was not completed.
 - Water quality monitoring in Davidson Canyon was not completed in the second year of the project period.
 - Two competitive project grant cycles:
 - Two planning events
 - Two Requests for Grant Applications
 - Two award selection processes
 - Attendance at the 2018 National Nonpoint Source meeting
- Groundwater
 - In FY19, AZDEQ allocated approximately \$350,000 of PPG funds to the Ground Water Value Stream. It is unclear what commitments were supported with PPG funds. AZDEQ must submit a clear list of workplan commitments supported with these funds with supporting documentation to enable EPA to evaluate compliance with grant and programmatic requirements.
 - In FY20, AZDEQ confirmed no PPG funds were allocated to the Ground Water Value Stream. AZDEQ must provide documentation explaining how these funds were used.
 - Contractor support in 2019 to “Review and Update BADCT”. Please explain.
- Drinking Water (DW)
 - During FY2020, AZDEQ had sustained vacancies in all units in the DW value stream including a unit manager and three other staff positions. The DW value stream has reassessed staffing needs to prioritize filling of vacancies. The Arizona Legislature enacted a “bare-bones” budget before COVID-19 shelter-in-place order in March. From all the available funding sources, AZDEQ has budgeted a total of 34 FTEs to implement its \$6.1M PWSS program. What was done with the funds if not used for the DW value stream?
- Enforcement
 - CWA Missed Inspections
 - Major Facilities – 11 out of 29 (SFY20)
 - Sanitary Sewer Systems – 2 out of 6 (SFY19), 5 out of 6 (SFY20)
 - Stormwater Industrial Facilities – 43 out of 150 (SFY20)
 - Stormwater Construction Sites – 24 out of 150 (SFY20)
 - Biosolids – 5 out of 11 (SFY20)
 - Pretreatment Compliance Audits – 1 out of 4 (SFY19)

- Pretreatment Compliance Inspections – 2 out of 8 (SFY19), 6 out of 8 (SFY20)
- Pretreatment SIU Oversight – 1 out of 1 (SFY19), 1 out of 1 (SFY20)

Attachment B

Arizona Department of Environmental Quality (AZDEQ) Performance Partnership Grant (PPG) Closeout Questioned Costs For State Fiscal Years 2019/2020

AZDEQ Division	Unit	Missed Commitment/Component	Workplan Output Number / Value Stream	Estimated Cost of Commitment/Component	Status	Analysis of Information Submitted
Air Quality Division	Planning	Douglas-Paul Spur PM10 re-designation	1.1.1/2S03	\$31,264.50	Resolved	Planned 100%, actual 75%.
		Miami PM10 redesignation	1.1.1/2S03	\$50,023.20	Resolved	Planned 100%, actual 60%.
		Rillito PM10 redesignation	1.1.1/2S03	\$31,264.50	Resolved	Planned 90%, actual 65%.
		Nogales PM2.5 redesignation	1.1.1/2S03	\$	Resolved	
		Regional Haze Rule Coordination	1.1.1/2S03	\$500,232.00	Resolved	
		Ozone reduction projects	1.1.1 /2S03 and 3.5.4/2S03	\$	Resolved	60% complete.
	Border	Biennial sessions of Border wide Air Policy Forum and the U.S. Mexico National Coordinators meetings were not held resulting in no travel or personnel funds spent.	2.1.7/1S06	\$6,284	Resolved	
		AZDEQ support for international transport modeling and monitoring for ozone	2.1.7/1S06	\$9,732	Resolved	Update needed on COVID's impact on monitor installation.
		Air dispersion modeling analysis for Nogales, Sonora that identifies the sources and activities that significantly contribute to the monitored concentrations of PM10 and ozone	2.1.7/1S06	\$	Resolved	
	Monitoring	Pinal County subaward	1.1.8/2S01, 2.1.8/2S01, and 3.1.3/2S02	\$6,000	Resolved	No training sessions were held due to the pandemic resulting in no travel or personnel funds spent.
		Pinal County Rule effectiveness tracking	2.1.8/2S01	\$12,505.80	Resolved	

Water Quality Division		Pinal County Air Quality Index forecasting enhancement.	2.1.8/2S01	\$12,505.80	Resolved	
	Vehicle Emissions Control	Remote sensing contract oversight: data requested	3.1.3/2S05 and 2S06	\$	Resolved	
		Voluntary Vehicle Repair Program: the goal was reset to 3000 from 5000; only 1,718 Vehicles were repaired and passed due to Covid.	3.1.3/2S05 and 2S06	\$5,332,754.00	Resolved	Note: Funds have not been reallocated.
	Surface Water	Nutrients Water Quality Standard	1.2.1/4SO3			
		·The draft stream nutrient criteria were not submitted.		\$125,058.00	Unresolved	The deliverable was due 12/30/2020.
		·Draft narrative lakes nutrient criteria and implementation procedures were not submitted.		\$62,529.00	Unresolved	It is unclear what was done during the project period, as the draft was submitted outside of the project period.
		·The draft report on Dr. Walkers' work was not submitted on time.		See above	Unresolved	It is unclear what was done during the project period, as the draft was submitted outside of the project period.
		Draft Comprehensive Monitoring Strategy	1.2.6/4SO3	\$12,505.80	Unresolved	The draft was not submitted for EPA review as defined in the workplan.
		Implement the FY20 Effectiveness Monitoring and Evaluation Plan	1.2.4/4SO3	\$100,000.00	Unresolved	Not completed. There was no information included in the final report for Boulder Creek, Mule Gulch, Alum Gulch, and Pinto Creek.
		The Mule Gulch and Big Bug data summaries	1.2.4/4SO3	\$31,264.50	Unresolved	Not completed. AZDEQ reported to EPA that work was not conducted to support this task.
		Water quality monitoring in Davidson Canyon	1.2.8/4SO3	\$31,264.50	Unresolved	Not completed in the second year of the project period. AZDEQ's response indicated that the

					commitment was stalled.
	Pinto Creek TMDL	1.2.4/4SO3	\$325,058.00	Unresolved	Deliverable extended to December 2020 but TMDL was not submitted: status unknown.
	San Pedro River Vision Project	1.2.8/4SO3	\$262,529.00	Unresolved	The Clean Water Plan was not submitted. AZDEQ's response described "refocusing resources" but did not negotiate workplan changes.
	Queen Creek Copper TMDL	1.2.8/4SO3	\$325,058.00	Unresolved	Not submitted. AZDEQ did not respond to what work was done in lieu of the Queen Creek TMDL.
	7 MS4 Permits and 2 General Permits (Biosolids and Pesticides)	3.4.2/4SO2	\$275,000.00	Resolved	
	In December 2019 AZDEQ decided not to pursue the 404 assumption, 18 of 24 months of work completed. The following commitments were not met:		\$480,066.00	Unresolved	AZDEQ has not reported what work was done when this task was abandoned. This commitment was reported as being funded by the PPG for 2-years.
	- Conduct the formal state rulemaking process: The draft rule, the second draft rule, and the final rule.	3.4.2/4SO2			
	- Multiple agency coordination and development of MOA's including but not limited to with USCOE and USEPA.	3.4.2/4SO2			
	- The assumption package: Prepare program submittal package that includes program description, signed MOAs, Attorney General Certification.	3.4.2/4SO2			
Nonpoint Source	National Water Quality Initiative work with NRCS.	1.2.4 /4SO3 and 1.2.8/4SO3	\$62,529.00	Unresolved	National Water Quality Initiative work with NRCS was not completed. EPA understands that NRCS was not engaged. However, it is unclear what NPS commitments were done. NPS funds must go

					towards NPS commitments.
	Two competitive project grant cycles:	1.2.8	\$250,116.00	Unresolved	AZDEQ did not report on what was done. NPS funds must go towards NPS commitments.
	Two planning events				
	Two Requests for Grant Applications				
	Two award selection processes				
	Attendance at the 2018 National Nonpoint Source meeting	Grant Condition "m"	\$5,288.62	Unresolved	AZDEQ did not report what was done instead of this commitment. NPS funds must go towards NPS commitments.
	Unfilled supervisory position for 16-months	1.2.4, 1.2.8/4SO3	\$162,575.40	Unresolved	AZDEQ's response didn't address adjusting vacancy savings towards the NPS program. NPS funds must go towards NPS commitments.
Groundwater	In SFY19, AZDEQ allocated \$341,729 of PPG funds to the Ground Water commitment/component.		\$341,729.00	Unresolved	It is unclear what commitments were supported with PPG funds. AZDEQ did not provide an adequate response to this item in their response document.
	Ground Water Commitment/Component in SFY20		\$341,729.00	Unresolved	AZDEQ confirmed no PPG funds were allocated to Ground Water commitment/component in SFY20 but provided no information as to where it reallocated the \$341,729.
	Contractor support in 2019 to "Review and Update a non-mining BADCT manual."	3.2.1/4SO1	\$291,062.00	Unresolved	Updated manual was not provided to EPA and old version on the webpage

					has not been replaced.
	APP Contract (APP Records Review, Design, Production, Maintenance) - listed in revised SF19/20 Budget Narrative	3.1.3/4S01	\$121,305.00	Unresolved	No explanation as to what this contract supports. It first appeared during the closeout review.
Drinking Water (DW)	During FY2020, AZDEQ had sustained vacancies including a unit manager and three other staff positions.	1.2.1/4S04	\$500,232.00	Unresolved	No description as to where these funds went to support.
Enforcement	Vacancies - Staff and supervisor vacancies	3.1.3/4S02	\$250,116.00	Unresolved	COVID issues aside, the commitments/ components would have been achieved had AZDEQ filled the two associated inspector positions.
	- Major Facilities –11 out of 29 (SFY20)				
	- Sanitary Sewer Systems – 2 out of 6 (SFY19), 5 out of 6 (SFY20)				
	- Stormwater Industrial Facilities – 43 out of 150 (SFY20)				
	- Stormwater Construction Sites – 24 out of 150 (SFY20)				
	- Biosolids – 5 out of 11 (SFY20)				
	- Pretreatment Compliance Audits – 1 out of 4 (SFY19)				
	- Pretreatment Compliance Inspections – 2 out of 8 (SFY19), 6 out of 8 (SFY20)				
	- Pretreatment SIU Oversight – 1 out of 1 (SFY19), 1 out of 1 (SFY20)				